

# SENATE BILL 959

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11r2999  
CF 11r3116

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By: ~~Senator Garagiola~~ Senators Garagiola and Brinkley

Introduced and read first time: March 2, 2011

Assigned to: Rules

Re-referred to: Budget and Taxation, March 7, 2011

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Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: March 26, 2011

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## CHAPTER \_\_\_\_\_

1 AN ACT concerning

### 2 **Bio-Heating Oil – Income Tax Credit**

3 FOR the purpose of altering the definition of bio-heating oil for purposes of a certain  
4 State income tax credit for the purchase of bio-heating oil for certain purposes;  
5 extending a certain termination provision and altering certain dates of  
6 applicability for a certain State income tax credit for the purchase of certain  
7 heating oil for certain uses; and generally relating to a State income tax credit  
8 for the purchase of certain heating oil.

9 BY repealing and reenacting, with amendments,  
10 Article – Tax – General  
11 Section 10-727  
12 Annotated Code of Maryland  
13 (2010 Replacement Volume)

14 BY repealing and reenacting, with amendments,  
15 Chapter 140 of the Acts of the General Assembly of 2008  
16 Section 3

17 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF  
18 MARYLAND, That the Laws of Maryland read as follows:

### 19 **Article – Tax – General**

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 10-727.

2 (a) (1) In this section the following words have the meanings indicated.

3 (2) “Administration” means the Maryland Energy Administration.

4 (3) “Bio-heating oil” means A heating oil ~~with~~ with a blend of at least 5%  
5 biodiesel~~l~~:

6 (I) DERIVED FROM THE U.S. ENVIRONMENTAL  
7 PROTECTION AGENCY-APPROVED FEEDSTOCKS; OR

8 (II) ACCEPTED UNDER 42 U.S.C. 7545(O) AS PER THE U.S.  
9 EPA RENEWABLE FUEL STANDARD 2 (RFS2) AND THE ACCOMPANYING  
10 REGULATIONS UNDER 40 C.F.R. PART 80 FOR DIESEL FUEL REPLACEMENT.

11 (b) An individual or corporation that receives an initial credit certificate  
12 under subsection (d) of this section from the Administration may claim a credit against  
13 the State income tax for a taxable year in an amount equal to 3 cents for each gallon of  
14 bio-heating oil purchased for space or water heating.

15 (c) (1) For any taxable year, the credit allowed under this section may not  
16 exceed the lesser of:

17 (i) \$500; or

18 (ii) the State income tax for that taxable year.

19 (2) The unused amount of the credit for any taxable year may not be  
20 carried over to any other taxable year.

21 (d) (1) On application by a taxpayer, the Maryland Energy  
22 Administration shall issue an initial credit certificate for the number of gallons of  
23 bio-heating oil purchased by the taxpayer for space or water heating.

24 (2) The initial credit certificate issued under this subsection shall  
25 state the maximum amount of credit that may be claimed by the taxpayer.

26 (3) On January 1, 2009, and each year thereafter, the Administration  
27 shall provide to the Comptroller a list of all taxpayers in the prior tax year that have  
28 been issued an initial credit certificate and shall specify for each taxpayer the  
29 maximum amount of credit allowed.

30 (4) The Maryland Energy Administration shall adopt regulations to  
31 administer the initial credit certificate required under this subsection.

1 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect  
2 July 1, 2008, and shall be applicable to all taxable years beginning after December 31,  
3 2007, but before January 1, [2013] **2018**. It shall remain effective for a period of [5]  
4 **10** years and, at the end of June 30, [2013] **2018**, with no further action required by  
5 the General Assembly, this Act shall be abrogated and of no further force and effect.

6 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
7 June 1, 2011.

Approved:

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Governor.

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President of the Senate.

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Speaker of the House of Delegates.